



WISCONSIN

DEPARTMENT OF WORKFORCE DEVELOPMENT

Division of Economic Support
Bureau of Welfare Initiatives

**TO: Economic Support Supervisors
Economic Support Lead Workers
Training Staff
FSET Administrative and Provider Agencies
Child Care Coordinators
W-2 Agencies**

BWSP OPERATIONS MEMO

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Non W-2 ☐ W-2 ☐ CC ☒

PRIORITY: High

FROM: Stephen M. Dow
Program Implementation Team
Policy Analysis and Program Implementation Section

SUBJECT: 1999 WISCONSIN ACT 9 - CHILD CARE POLICY CHANGES

CROSS REFERENCE: Child Day Care Manual, Chapter 2, 2.2.0 and 2.1.2.

EFFECTIVE DATE: There are different effective dates for these changes described in the following discussion. These effective dates are statutorily based - please take special note of them and to which changes they apply. Thank you.

PURPOSE

This memo identifies child care policy changes that resulted from 1999 Wisconsin Act 9, the 1999-2001 Wisconsin State Budget. In the new budget, there are two child care policy changes that are effective immediately and others not effective until early 2000.

BACKGROUND

Governor Thompson identified several child care changes in his proposed budget. Those changes were in the final budget he signed Wednesday, October 27, 1999. There are two phases for the child care changes in the budget.

1. Phase I is effective immediately; those changes are communicated in this memo.
2. Phase II requires CARES changes and will be effective by March 1, 2000. An Operations Memo will be distributed with additional information before the effective date of those changes.

PHASE I (EFFECTIVE IMMEDIATELY)

These changes do not require any programming changes to the CARES system and, pursuant to the Act, are being implemented immediately. Phase I changes involve these 2 child care policies:

- Attachment to the workforce for work and education.
- Minimum copay for adult teens that are attending high school or the equivalent.

1. Attachment to the Workforce and Educational Courses

1999 Wisconsin Act 9 expanded the definition of basic education and eliminated the 9 month attachment to the workforce requirement for post secondary education. To qualify for child care subsidies for both work and education, families must be nonfinancially and financially eligible for child care assistance and be enrolled in one of these type educational programs.

a. Basic Education for Adults 20 Years Old and Older

If the Wisconsin Works agency determines that basic education would facilitate a parent's efforts to maintain employment, then the parent can receive child care subsidies for education for up to 2 years. This policy applies to parents who are 20 years old or older. The specific types of education that these parents can participate in while maintaining employment or participating in a subsidized W-2 employment position are:

- basic education, including an English as a second language (ESL) course;
- literacy tutoring;
- a course of study meeting the standards established by the state superintendent of public instruction for the granting of a declaration of equivalency of high school graduation.

b. Education for 18 and 19 Year Old Parents

Adult teen parents, who are 18 and 19 years old, may receive child care subsidies to receive a high school diploma or for a course of study meeting the standards established by the state superintendent of public instruction for the granting of a declaration of equivalency of high school graduation. These adult teen parents do not have to be employed or be in any W-2 activity to receive child care subsidies while in the process of obtaining a high school diploma or the equivalent. This is a current policy that was not changed in the budget.

c. Post Secondary Education

The 9 month attachment to the workforce for parents who are attending post secondary education was removed in the budget. If the Wisconsin Works agency determines that the post secondary education will facilitate a parent's efforts to maintain employment, then the parent may receive child care subsidies for both work and post secondary educational activities for up to 2 years. The parent must be employed or in a subsidized W-2 employment position while attending post secondary educational courses to receive child care subsidies for both work and post secondary education. Post secondary education includes:

- a course of study at a technical college or
- educational courses that provide an employment skill,

d. Basic and Post Secondary Educational Activities in CARES

The approved activity in CARES (on ANCI) that should be used for these parents is still "employed" (EMPL) if the parent is not a W-2 participant. If the parent is a W-2 participant, the appropriate W-2 reason (WWEM) should be used. A new approved activity in CARES will be created that identifies both work and school. Once the new approved activity is available in CARES, agencies will be instructed to use it for families that are receiving child care subsidies for work and school.

If the parent is using the same child care provider for both activities, one authorization can be used if it allows for the number of hours of need that the parent has. Otherwise, multiple authorizations can be used.

Example: Alan applies for child care on January 10, 2000. He started working at Wal-Mart as a greeter on January 9, 2000, and resumed his classes at the local technical school on January 4, 2000. The W-2 agency has determined that the courses that Alan is taking will help him to maintain his employment at Wal-Mart.

Alan is determined to be both financially and nonfinancially eligible for child care in the month of January, 2000. He is working 15 hours a week and attending 2 classes totaling 10 hours a week. He takes his son Joseph to one child care provider in the area when he is at work or at school. He also spends about 5 hours a week transporting Joey to and from his child care provider.

Since Alan is both working and attending classes in the month that he applied for child care assistance, the agency should create a 30 hour authorization for Joseph. This authorization will cover the hours that he is at work and the hours that he is attending classes at the technical school.

2. Adult Teens Attending High School or Its Equivalent

Prior to the budget, minor teen parents (that were not Learnfare participants) were assigned the minimum copay when they were in the process of obtaining a high school diploma or participating in a course of study for the granting of a declaration of equivalency.

The minimum copay now applies to all teens, including 18 and 19 year olds, that are in the process of obtaining a high school diploma or participating in a course of study meeting the standards set by the Superintendent of Public Instruction for the granting of a declaration of equivalency.

Use Teen High School (THS) as the copay type for all teen parents in the Child Care Payment System (screen CCAC). This will ensure that the minimum copay is used when determining the provider payment for the teen's children. Use the THS copay type until the week after the teen turns 20.

Example: Kathy is 19 years old and in the process of completing her high school education. She applied for and was determined eligible for child care two years ago when she had her son Buck. She has been attending high school since she applied for child care and turns 20 on January 14, 2000. As a W-2 case management participant since her 18th birthday, her employability plan includes getting her high school diploma.

During her review in November, 1999, her worker creates an authorization for Buck using the THS copay type through January 15, 2000. Another authorization is created for the remainder of the 6 month period using the REG copay type.

Implementation

Phase 1 changes are effective immediately. Apply these changes to all new applications, changes and reviews for child care eligibility and authorizations. Agencies have discretion to implement these changes at the next review or to make the appropriate changes immediately. Since these changes will result in additional authorized hours or a lower copay, agencies may want to make the appropriate changes to the child care cases in CCPS before the next scheduled review.

Do not retroactively implement these changes.

Phase II (NOT EFFECTIVE UNTIL FUTURE NOTICE)

Phase II budget changes are not effective immediately. The Governor, in his 1999–2001 State Budget message, identified a start date by March 1, 2000.

Do not implement these changes until they are announced via an Operations Memo sometime early next year.

Following is a summary of the changes that will be implemented by March 1, 2000:

1. Increase initial child care eligibility limit to 185% FPL.
2. Use net income of self employed families applying for child care assistance.
3. Do not count the earned income of dependents in a child care assistance group.
4. Do not count child support income in the income eligibility test or copay calculation for child care.
5. Do not use an asset test when determining child care eligibility.
6. Special needs children aged 13 through 18 will be eligible for child care.
7. Decrease the maximum copay to 12% of the monthly family income.
8. Implement a part time copay (1/2 of the regular copay) for children in care for 20 or fewer hours a week.
9. Implement a minimum copay for the first month of unsubsidized employment for a W-2 participant.

REMEMBER: The changes in Phase II are **not** effective immediately. Additional information and instructions will be distributed prior to the implementation of these changes.